

FIG. 1  
PRIOR ART

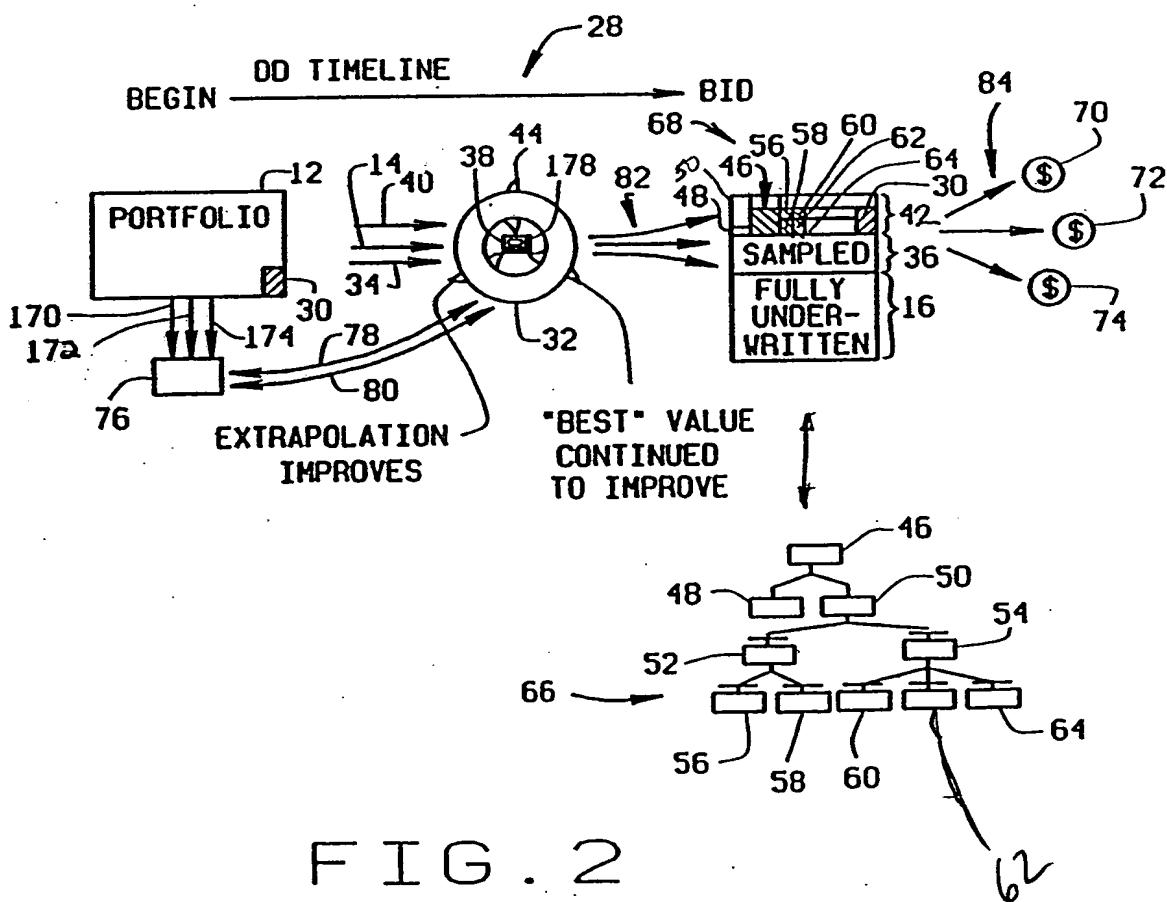
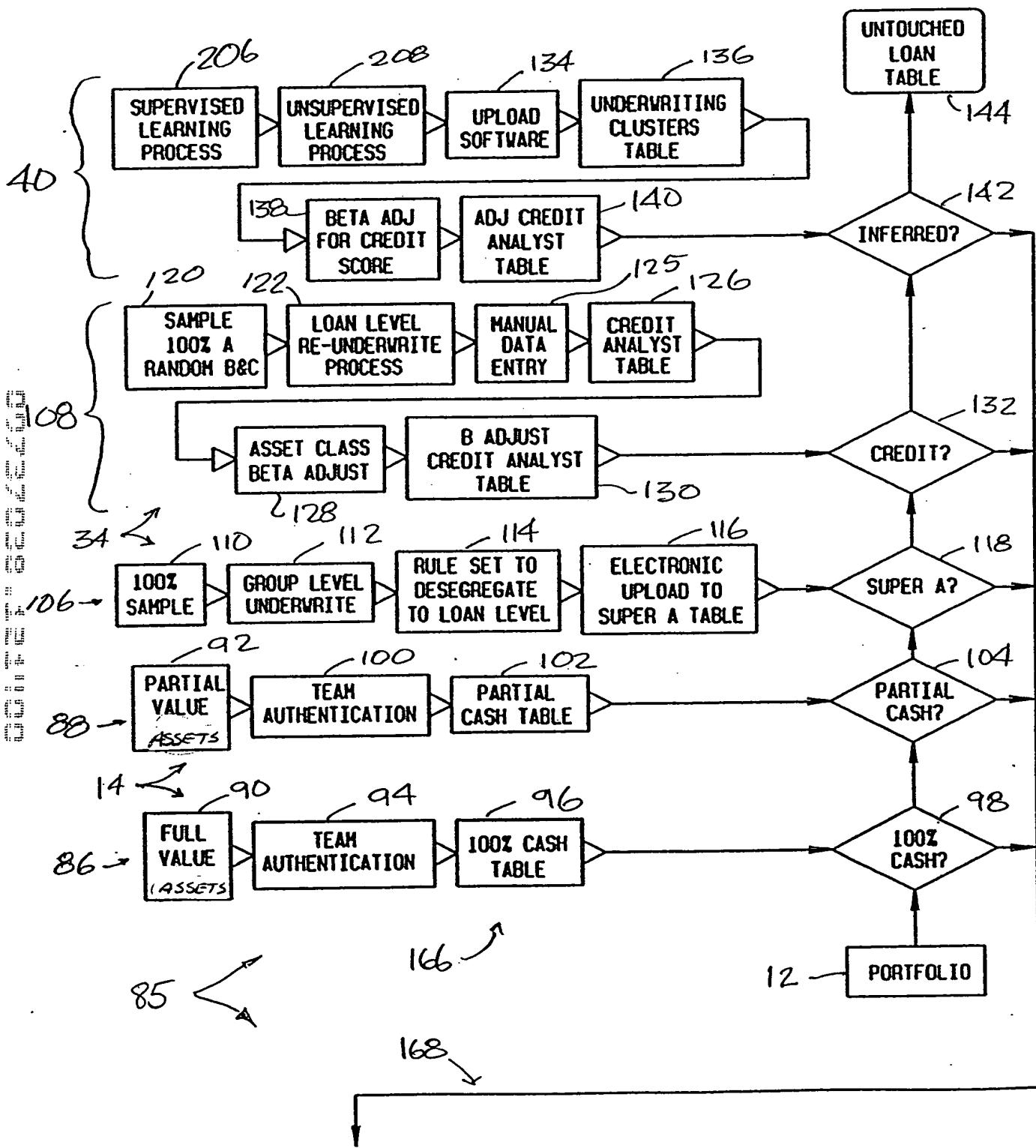


FIG. 2



TO FIG. 4

FIG. 3

FROM FIG. 3

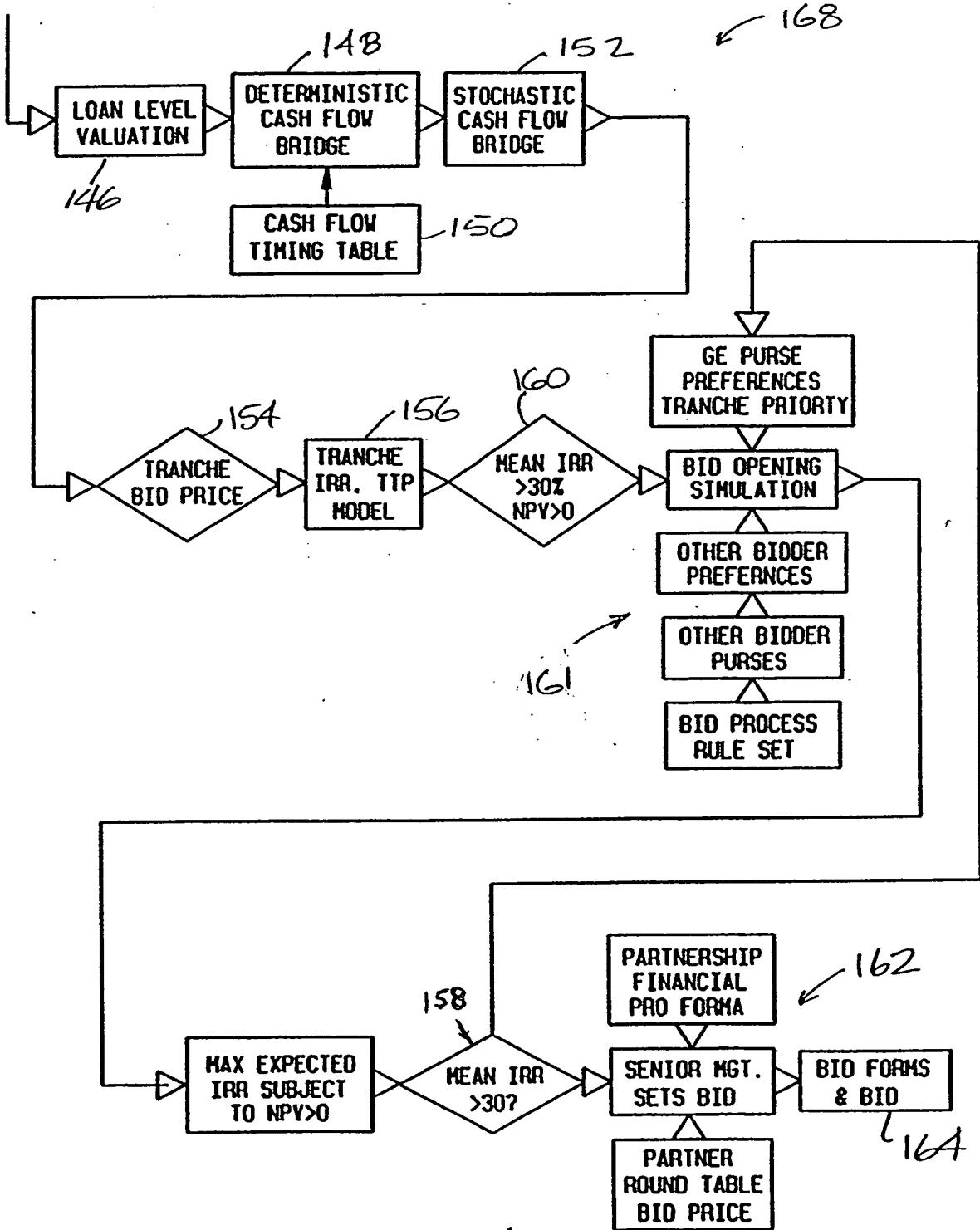


FIG. 4

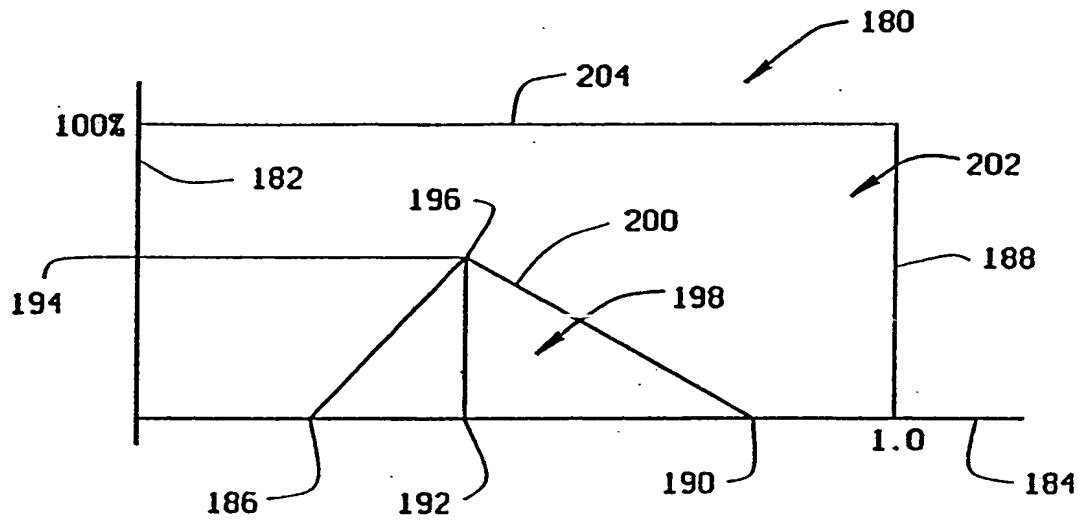


FIG. 5

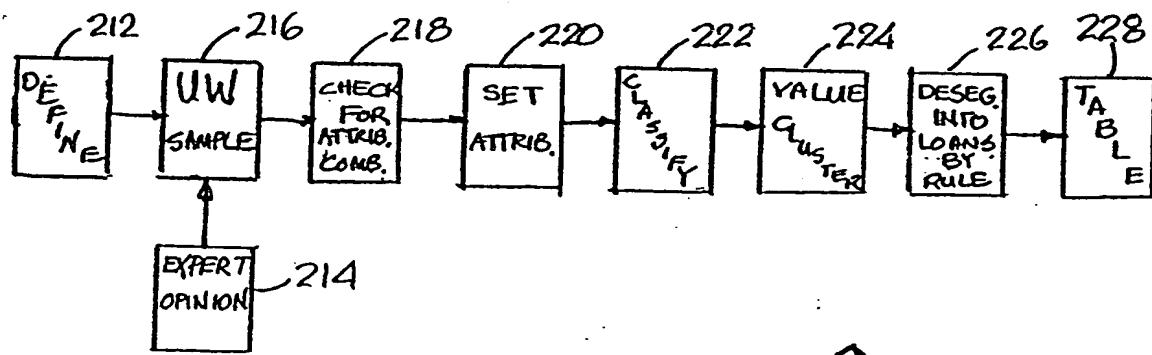


FIG. 6

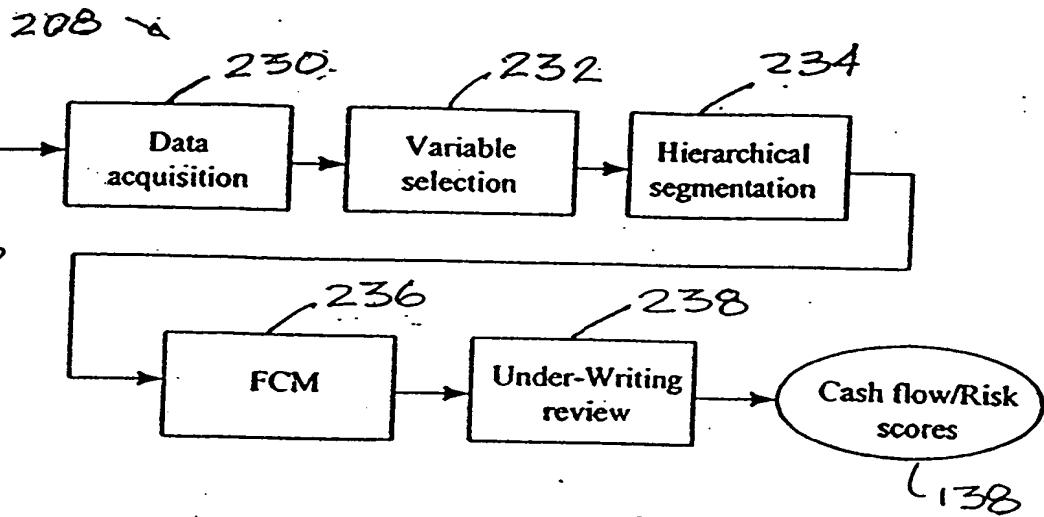


FIG. 7

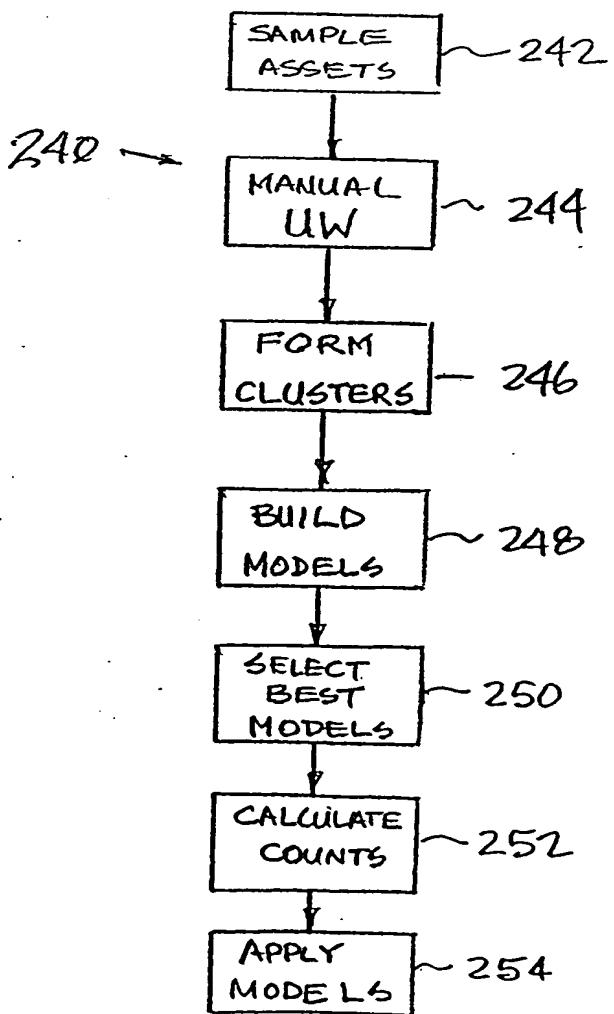


FIG. 8

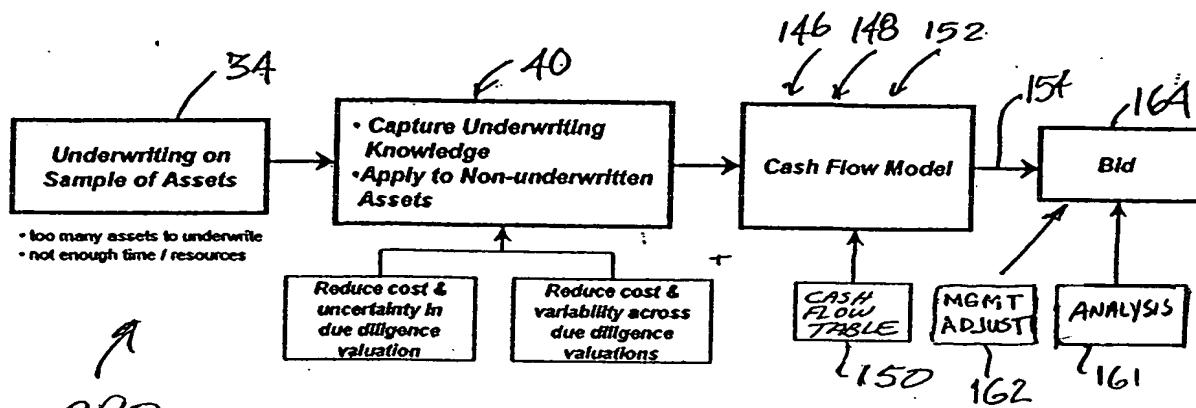
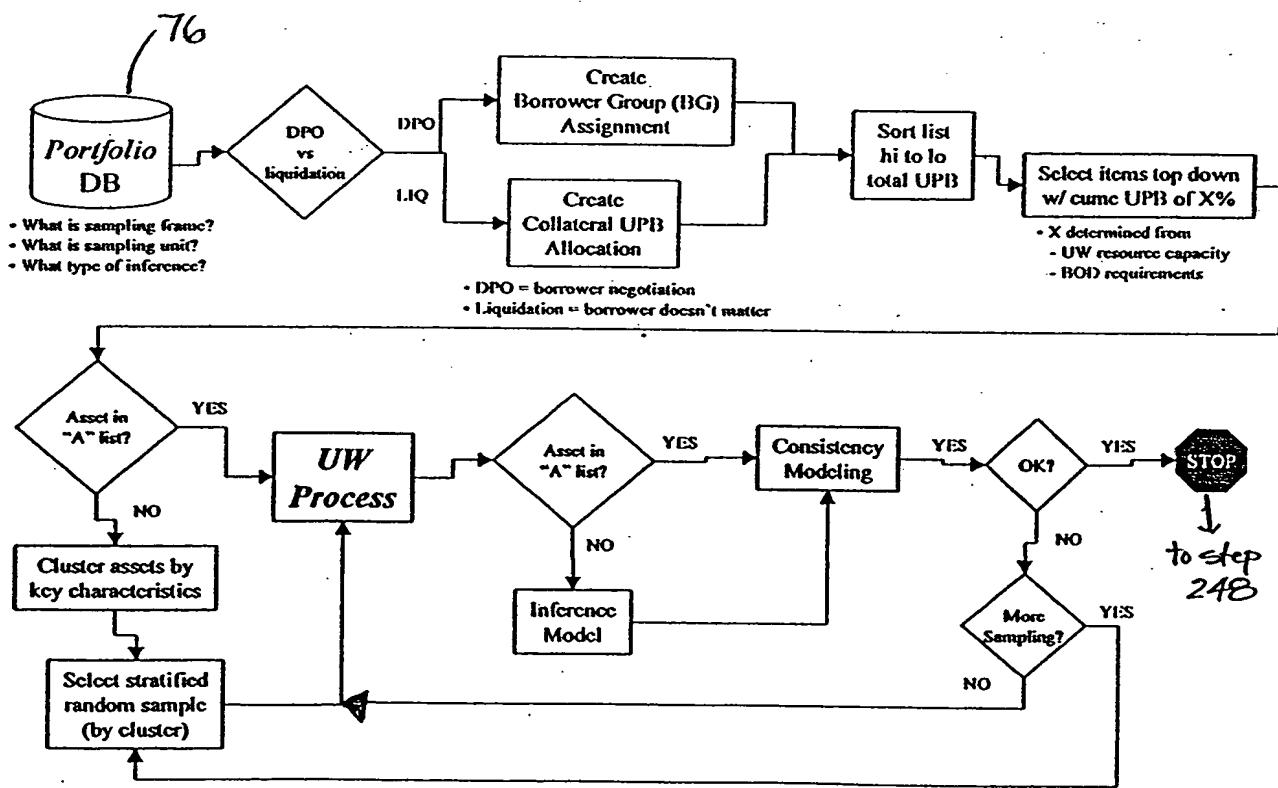


FIG. 9



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FIG. 10

**6 Models Built:**

- models differ by which variables used
- UW assets get the minimum error prediction (actual - predicted)

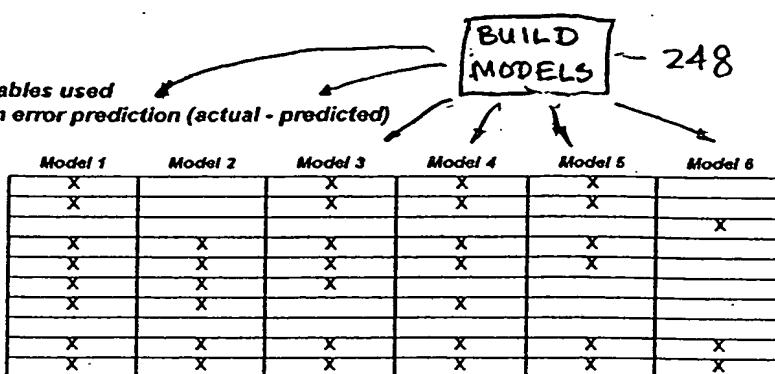
**Variables Used**

Land Area  
Bldg Area  
Old Appraisal  
GEN1 Predicted Current Appraisal  
GEN1 Predicted Realized Price  
Property Type  
Location

- BY -

Com / Res  
Group (cluster)

250

**Model "Weights":**

- each cell is count of times the model produced best prediction for UW assets
- determines weights for averaging predictions for non-UW assets

256 {

Model	Asset Class	Group	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Sum
Court Auction	Commercial	1	13	13	13	8	8	32	87
		2	29	25	29	24	22	19	148
Court Auction	Residential	1	5	5	10	15	4	12	235
		2	4	7	9	3	13	23	51
		3	2	15	11	4	13	8	53
Market Value	Commercial	1	16	13	11	10	15	21	85
		2	29	22	29	27	24	19	150
		3	5	8	4	9	11	14	51
Market Value	Residential	1	8	8	10	0	15	18	59
		2	6	16	5	5	20	2	54
		Total							164

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FIG. 11

Variable	Category/Value Range	Encoding Scheme
Loan secured	{Yes, No}	Yes = 1 else 0
Loan type	{Revolving, Non-revolving}	Revolving = 1 else 0
Last payment	[0, 250 MM]	0 if Last payment = 0 else 1
Notice of default sent		Prior to Jun 97 equals 1 else 0
Original maturity date		Prior to Jun 97 equals 1 else 0
Syndicated Loan	{Yes, No}	Yes = 1 else 0
Loan guaranteed	{Yes, No, NAV}	Yes = 1 else 0
Collection score	[0, 1]	
Lien position	{-1, 0, 1}	1 if Lien position = 1 else 0
Current unpaid balance/Original balance	[0, 2.9]	Normalized to [0, 1]
Last payment to Interest/Last payment	[0, 1]	

80

FIG. 12

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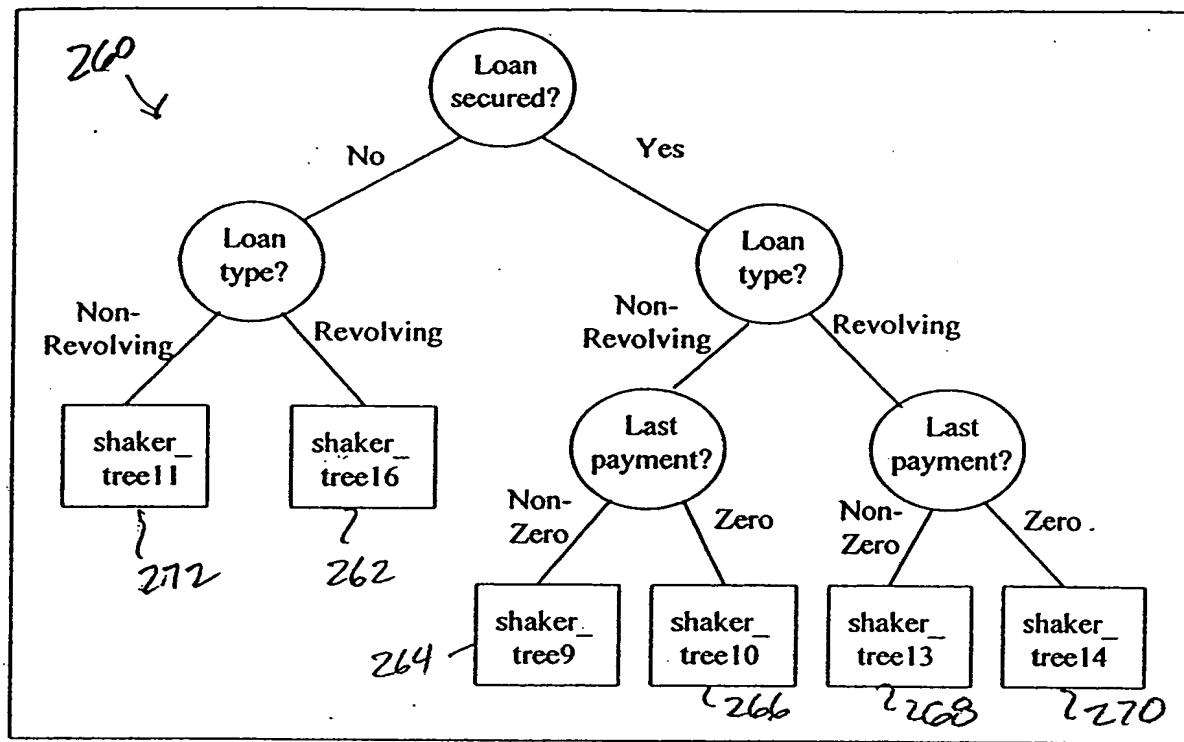


FIG. 13

**Figure 9**